

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

Docket No. 2002-83

February 20, 2002

BANGOR GAS COMPANY LLC,  
Proposed Cost of Gas Adjustment  
(\$ 4703)

NOTICE OF APPLICATION

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On February 13, 2002, Bangor Gas Company LLC filed with this Commission an application pursuant to 35-A M.R.S.A. § 4703 and Chapter 43(2) of the Commission's Rules (65-407 C.M.R. 43) its proposed cost of gas adjustment (CGA) for the upcoming summer period May 1, 2002 through October 31, 2002. The Commission must approve all cost of gas adjustments. Bangor Gas' proposed 2002 summer CGA would decrease the energy charge for all classes of customers from the approved rate of \$0.586 per therm for the 2001 summer period to \$0.274 per therm for the 2002 summer period a decrease of approximately 53%. This is a reduction of approximately 18% from the current winter 2001-2002 period rate of \$0.337 per therm. The new rate is based on current projected costs of natural gas in the region. In addition, Bangor Gas is proposing a change in its Past Gas Cost Adjustment rate from \$.005 per therm to \$(0.03) per therm to reconcile a revenue over-collection from last summer period.

Bangor Gas is a start-up gas distribution utility whose gas supply requirements may change daily as customers are added. Consistent with its proposals in its past CGA filings, Bangor Gas plans to contract with a gas supplier to procure the resources that Bangor Gas requires for the summer 2002 period. The new rate is based on a forecasted gas commodity price for gas supplies purchased at its interconnection with the Maritimes & Northeast Pipeline (M&NP).

In addition, the proposed rate includes two new elements: 1) transportation charges for Bangor's use of the M&NP Veazie lateral and 2) an Annual Charge Adjustment (ACA) Surcharge at the volumetric usage rate. The ACA surcharge is passed down from the Federal Energy Regulatory Commission (FERC) to interstate pipelines such as M&NP prior to each fiscal year to cover the cost of the operation of the FERC. Since M&NP did not transport any gas during the calendar year 1999, it was not assessed an ACA Surcharge for Fiscal Year 2000 and therefore did not include any amount in its rates. M&NP is now authorized to include the FERC approved ACA surcharge of \$.0022/Dth in its rates. Consequently, Bangor Gas proposes to pass down the ACA Surcharge to its customers in its rates.

35-A M.R.S.A. § 4703 requires the Commission to issue public notice of the application. The Commission, pursuant to § 4703, may render its decision on this application without holding a public hearing. If a public hearing is held, the

Commission, pursuant to § 4703, must hold the first session within 45 days of the filing of the application and shall render its decision within 45 days after the close of the hearing. If no hearing is held, the Commission shall render its decision within 45 days of receipt of the application.

Accordingly, it is

ORDERED

1. That, pursuant to 35-A M.R.S.A. § 4703, the Commission gives notice that Bangor Gas has filed an application for cost of gas adjustment. Interested persons may file a petition to intervene and to request a hearing.
2. Petitions to intervene shall be filed with the Administrative Director of the Commission no later than **March 20, 2002**. Petitions to intervene shall state the interest of the proposed intervenor and comply with the other requirements of Section 722 of 65-407 C.M.R. 11(6) and shall be sent to Bangor Gas Company, LLC, 21 Main Street, Bangor, ME 04402.
3. That a preliminary hearing is scheduled in this matter on **March 27, 2002 at 1:30 p.m.** The hearing will be held in the Horace S. Libby Hearing Room located at the Commission's office, 242 State Street, Augusta, Maine. The purpose of this hearing will be to rule on petitions to intervene, to ascertain the potential for settlement of the case by stipulation and to devise a schedule for the processing of this case in a timely manner. In addition, the hearing will be used as a format to discuss with Bangor Gas the details of its filing.
4. That the Administrative Director shall service a copy of this notice upon Bangor Gas Company LLC, the Public Advocate, any persons requesting to receive notice of proceedings of this nature, parties in three recent Bangor Gas cases (00-697, 01-122, 01-560) and upon the public by the publication of the attached notice in newspapers of general circulation in Bangor Gas' service areas.

Dated at Augusta, Maine this 20th day of February, 2002.

BY ORDER OF THE HEARING EXAMINER

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Carol A. MacLennan

MAINE PUBLIC UTILITIES COMMISSION  
NOTICE OF PROPOSED CHANGE IN COST OF GAS  
ADJUSTMENT BY BANGOR GAS COMPANY, LLC

Docket No. 2002 -83

Bangor Gas Company, LLC, a supplier of natural gas service, has applied for a change in its cost of gas adjustment (CGA) for the 2002 summer period, May 1, 2002 through October 31, 2002 under the provisions of 35-A M.R.S.A. § 4703 and 65-407 C.M.R. 43. Bangor Gas' proposed 2002 summer CGA would decrease the energy charge for all classes of customers from the approved rate of \$0.586 per therm for the 2001 summer period to \$0.274 per therm for the 2002 summer period a decrease of approximately 53%. This is a reduction of approximately 18% from the current winter 2001-2002 period rate of \$0.337 per therm. Bangor Gas states that these rates reflect its estimates for its cost of gas and the related transportation costs for the upcoming summer period, transportation charges for use of Maritimes & Northeast Pipeline, LLC's Veazie lateral, and a FERC Annual Charge Adjustment surcharge. In addition, Bangor Gas proposes changing its Pas Gas Cost Adjustment Rate from the current \$.005 per therm to \$(0.03) per therm to return over-collections from the last summer period.

A preliminary hearing has been scheduled in this matter for March 27, 2002 at 1:30 p.m. The purpose of the preliminary hearing is to rule on petitions to intervene, to ascertain the potential for settlement of this case by stipulation, and to set a schedule for the processing of this case in a timely manner. In addition, the hearing will be used as a format to discuss with Bangor Gas the details of its filing.

To present your views on this proposed increase, you may participate in one of two ways:

1. You may petition to intervene. If your petition to intervene is granted, you will be a party with the right to participate formally in the hearings and in negotiations. Your petition must be made in writing and must state the name and docket number of this proceeding, and the manner in which you are affected by the proceeding. Your petition must also include a short and plain statement of the nature and extent of the participation you seek, and a statement of the nature of the evidence or argument you intend to submit. Your petition must be received by the Administrative Director, Public Utilities Commission, 242 State Street, Augusta, Maine 04333, no later than March 20, 2002. You must send a copy of your petition to Bangor Gas Company LLC, 21 Main Street, Bangor, ME 04402. If your petition is denied, you may still request that your name be placed on the Commission's mailing list for this case as described below.

2. You request that your name be added to the mailing list as an interested person. If your name is added to the mailing list as an interested person, you will receive notice of the time and place of any hearings, including public witness hearings, held in this case.

You may request that the Commission hold a public hearing in this matter. If you wish to request that the Commission hold such a hearing, you must file a written request to that effect with the Administrative Director at the above address by March 26, 2001. Persons who request a hearing will automatically be added to this mailing list as interested persons.

You may appear as a public witness at a hearing, if one is held, and give your views on the proposed change in rates. The purpose of a public witness hearing is to give members of the public an opportunity to give their views on the matters under consideration by the Commission in this case.

THE COMMISSION WILL NOT PUBLISH ANY FURTHER NEWSPAPER NOTICES OF THIS PROCEEDING OR ANY HEARINGS.

If you need more information about which method of participation you should choose, write to the Administrative Director at the above address or call 287-3831.s

Title 35-A of the Maine Revised Statutes and Commission Rules will govern this proceeding.